

## John Calicchio & His Beloved EuroMasters Classic Cars



It was January 2008, while in retirement; I had a vision of opening a Classic Car Dealership with a Disneyland like environment. My vision was filled with rows of classic cars being displayed on carpet and tile, classical music being piped throughout the facility and high-end service and parts departments bustling.

In June of 2008, EuroMasters Classic Cars, with its 37,000 sq. ft. building on 2-acres of land became a reality; opening its doors to the public. EuroMasters began to flourish despite the recession which had plagued the nation by fall of that year. The business continued growing, doubling its sales annually, exceeding the \$4m. mark, from car sales, service, parts, paint, upholstery, and a special events center. The only problem was that this continued accelerated growth required huge amounts of working capital, which I funded personally, until my cash reserves ran out. I wasn't too concerned, since I had a substantial line of credit with my bank. Unfortunately, in 2011 the recession had drastically changed the bank's lending rules. I applied at many banks and lending institutions and even though my credit score was excellent

with an 820 FICO Score, they all came back with the same answer; "Sorry, were hardly lending to anyone, especially car dealerships, which are starting to close down". Huntington Beach Ford as an example.

In July 2011, as a cash-raising effort, flyers were sent out to local car dealers to sell excess slow-moving inventory. Within a day or two, the Fountain Valley police detectives appeared at our doorstep with a search-warrant to confiscate our computers and records. It seemed a customer who was legitimately owed money (\$10k) to by Euromasters saw the flyer, got over-excited, and called the police department to have us investigated saying "it looks like they're liquidating and going out of business". Prior to this, and in an effort to save EuroMasters, Our team worked out a partnership agreement with (4) interested parties, (2) of which signed contracts with us and the remaining (2) put forth letters of intent. Interestingly enough, one of them was Winston Chung, the famous electric car battery manufacturer who took a liking to my electric Porsche Speedster project and agreed to purchase part of EuroMasters for \$3m (as was reported in the Orange County Business Journal). We shook hands on the deal, but before the final contract was signed, disaster struck; it was announced that Mr. Chung was unable to remove funds from China which immediately ended our agreement. Not giving up, we went back to the other interested parties, but by then, they had either moved on or were no longer interested because of bad press and wide-spread rumors of closing. Although we had received (8) complete classic Porsche restoration orders valued at \$300,000 and bookings of over \$250,000 in special events for the 4<sup>th</sup> Qtr of 2011, we were unable to sustain the daily expenses any longer. EuroMasters was forced to permanently close its doors on September 15, 2011; a sad day for our loyal supporters, friends & customers.

**Things Aren't Always as They Appear. "If It Bleeds It Reads"** a direct quotation from a friend of mine who works for the LA Times Newspaper. In order to up their ratings, newspapers sensationalize the news with misleading or dishonest articles, rather than just telling the plain truth. As a matter of fact, several newspapers wrote about me going to jail, because after Euromasters closed, seven customers were owed money for their cars that got sold. Since I owned the company, I took full responsibility for the debts, and ended getting arrested on suspicion of fraud. The newspapers failed to mention that all of these customers we're either paid by Euromasters before it closed, or by our insurance company afterwards. In my lifetime, other than being booked and released, I never spent a day or night in jail. The plain fact is that newspapers need to sell newspapers. Unfortunately, because of the internet, bad news remains permanent; a real tragedy for the innocent.

*John Calicchio*